



U.S. AGENCY FOR
INTERNATIONAL
DEVELOPMENT

Kenneth P. Hutchison
Executive Director
The Asian-American Free Labor Institute (AAFLI)
1125 15th Street NW
Suite 401
Washington, D.C. 20005-2707

Subject: Grant No. 367-0161-G-00-2273-00

Dear Mr. Hutchison:

Pursuant to the authority contained in the Foreign Assistance Act of 1961, as amended, the Agency for International Development (hereinafter referred to as "A.I.D." or "Grantor") hereby grants to The Asian-American Free Labor Institute (hereinafter referred to as "AAFLI" or "Grantee") the sum of Seventy-Four Thousand One Hundred and Eighteen Dollars (\$74,118) to enable the Nepal Trade Union Congress to begin to function as a democratic trade union organization as more fully described in the Schedule of this grant and the Attachment 2, entitled "Program Description".

This Grant is effective and obligation is made as of the date of this letter and shall apply to commitments made by the Grantee in furtherance of program objectives during the period beginning with the effective date and ending August 14, 1993. Funds advanced by A.I.D. but uncommitted by the Grantee at the expiration of this period shall be refunded to A.I.D.

The total estimated amount of the program is \$74,118 and is hereby committed. A.I.D. shall not be liable for reimbursing the Grantee for any costs in excess of the obligated amount.

This Grant is made to the Grantee, on condition that the funds will be administered in accordance with the terms and conditions as set forth in Attachment 1, entitled the Schedule, Attachment 2, entitled "Program Description," and Attachment 3, entitled "Standard Provisions," which have been agreed to by your organization.

BEST AVAILABLE COPY

Please acknowledge receipt and acceptance of this Grant by signing all copies of this Cover Letter, retain one set for your files, and return the original and two copies to this office.

Sincerely yours,


Kelly C. Kammerer
Director

Attachments:

1. Schedule
2. Program Description
3. ~~Standard Provisions~~
4. ~~OMB Circular A-122~~
5. ~~Annex A - Quarterly Report Format~~

ACKNOWLEDGED:

The Asian-American Free Labor Institute

BY: 

TYPED NAME: Kenneth P. Hutchison

TITLE: Executive Director

DATE: September 1, 1992

PIO/T No.: 367-0161-3-20047
Appropriation No.: 72-1121021
Budget Plan Code: HDSA-92-27367-KG13
This Commitment: \$74,118
Total Estimated Cost: \$74,118
Technical Office: PPD/ECON
Project Officer: Neal P. Cohen
Funding Source: USAID/Nepal
Duns No.: 074813791
AAFLI federal employer ID No.: 52-0880529

Funds Available:FM: 

Homi Jamshed, Controller



Clearance: PPD/ECON: S.B.

BEST AVAILABLE COPY

ATTACHMENT 1

SCHEDULE

A. Purpose of Grant:

The purpose of this Grant is to provide support to AAFLI to enable assistance to the key Nepal Trade Union Congress to begin to function as a democratic trade union organization, as more fully described in Attachment 2 to this Grant entitled "Program Description."

B. Period of Grant:

The effective date of this Grant is the date of the Grant Officer's signature and the estimated expiration date is August 14, 1993.

C. Amount of Grant and Payment:

1. A.I.D. hereby commits the amount of \$74,118 for the purpose of this grant.

2. Payment shall be made to the Grantee in accordance with procedures set forth in Attachment 3 - Optional Standard Provision No. 1 entitled "Payment - Letter of Credit."

D. Financial Plan:

1. The following is the Grant Budget, including local cost financing items, if authorized. Revisions to this budget shall be made in accordance with Standard Provision of this Grant, entitled "Revision of Grant Budget."

BUDGET

Drafting Committee	\$ 4,280
Explainers	\$ 4,214
Field Work	\$ 5,544
Working Committee	\$ 400
Secretarial Services	\$ 516
Printing and Supplies	\$ 9,500
Delegate Training Program	\$ 4,750
Translation/Interpretation Services	\$ 3,000
Evaluation	\$ 3,979
U.S. Project Director Travel (3 round trips)	\$ 21,162
Indirect Cost	\$ 16,773
Total	\$ 74,118

BEST AVAILABLE COPY

E. Reporting:

1. Financial Reporting

a. Financial reporting requirements shall be in accordance with the Standard Provision of this Grant entitled "Payment - Letter of Credit".

b. The original and two copies of all financial reports shall be submitted to the Office of Financial Management, USAID/Nepal, Kalimati Durbar, Kathmandu, Nepal. In addition, one copy of all financial reports shall be submitted to the Technical Office, PPD/ECON shown in the Cover Letter of this Grant.

2. Program Performance Reporting

a. The Grantee shall submit quarterly program performance reports, and a final report, which briefly presents the following information:

(1) A comparison of actual accomplishments with the objectives established for the period. If the output of programs or projects can be readily quantified, such quantitative data should be related to cost data for computation of unit costs,

(2) Reasons why stated objectives were not met,

(3) Other pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

b. Between the required performance reporting dates, events may occur that have significant impact upon the program. In such instances, the Grantee shall inform A.I.D. as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions that will materially affect the ability to attain program objectives, prevent the meeting of time schedules and goals, or preclude the attainment of project work units by established time periods. This disclosure shall be accompanied by a statement of the action taken, or contemplated, and any A.I.D. assistance needed to resolve the situation.

(2) Favorable developments or events that enable time schedules to be met sooner than anticipated or more work units to be produced than originally projected.

BEST AVAILABLE COPY

2. Close out

a. Upon request, A.I.D. shall make prompt payments to a recipient for allowable reimbursable costs under the agreement.

b. The grantee shall immediately refund any balance of unobligated (unencumbered) cash that A.I.D. has advanced or paid and that is not authorized to be retained by the grantee for use in other grants or agreements.

c. A.I.D. shall obtain from the grantee within 90 calendar days after the date of completion of the agreement all financial, performance, and other reports required as the condition of the grant. A.I.D. may grant extensions when requested by the recipient.

d. When authorized by the grant, A.I.D. shall make a settlement for any upward or downward adjustments to A.I.D.'s share of costs after these reports are received.

e. The grantee shall account for any property acquired with A.I.D. funds or received from the Government in accordance with provisions of paragraph T of Chapter 1 of HB 13.

G. Indirect Cost Rate:

Pursuant to the Optional Standard Provision of this Grant entitled "Negotiated Indirect Cost Rates - Provisional", a rate or rates shall be established for each of the Grantee's accounting periods during the term of this Grant. Pending establishment of final indirect cost rates for the initial period, provisional payments on account of allowable indirect costs shall be made on the basis of the following negotiated provisional rate applied to the base which is set forth below.

<u>Type</u>	<u>Rate</u>	<u>Base</u>	<u>Period</u>
Provisional	29.25%	Total Direct Cost	Date of Grant until amended

H. Title to Property:

Title to non-expandable property purchased under this grant shall vest in the Grantee.

I. Use of AMA Facilities:

U.S. nationals employed under this grant shall be entitled to the use of the recreational facilities and the Commissary subject to the rules and by-laws of the American Mission Association.

BEST AVAILABLE COPY

c. If any performance review conducted by the Grantee discloses the need for change in the budget estimates in accordance with the criteria established in the Standard Provision of this Grant entitled "Revision of Grant Budget", the Grantee shall submit a request for budget revision.

d. Five copies of each program performance report shall be submitted to the Technical Office specified in the Cover Letter of this Grant.

3. Special Reports

The Grantee shall provide a copy of the Activity Progress Reports shown in Annex "A" to the Grant Officer on quarterly basis and a copy to the Project Officer.

In addition, the Grantee shall provide any special reports as requested by the Grant Officer or the Project Officer.

F. Special Provision:

1. OMB Circular A-122

The Circular reserves the sections on bid and proposal costs and independent research and development costs. A.I.D. and the Grantee hereby agree upon the following treatment of these costs, pending such time as the Circular is amended to include them:

a) Bid and proposal (b&p) costs are the immediate costs of preparing bids, proposals, and applications for potential activities such as Government and non-Government grants, contracts and agreements, including the development of scientific, cost, and other data needed to support the bids, proposals, and applications. In general, (b&p) costs of the current accounting period are allowable as indirect costs. (B&p) costs of prior accounting periods are unallowable in the current period. In this regard, (b&p) costs incurred for the preparation of requests for specific projects and programs are acceptable for recovery as indirect costs. However, proposal costs incurred in the attempt to obtain unrestricted funds are to be treated as fund raising and must be included in the organization's direct cost base. If the organization's established practice is to treat (b&p) costs by some other method, the results obtained may be accepted only if found to be reasonable and equitable. (B&p) costs do not include independent research and development costs which are covered by paragraph (2) below, or preaward costs covered by Attachment B, Paragraph 33, of OMB Circular A-122.

b) Independent research and development (r&d) costs are for (r&d) conducted by an organization which is not sponsored by Federal or non-Federal grants, contracts or other agreements. Independent (r&d) costs must be included in the organization's direct cost base for allocation of its proportionate share of indirect costs. The costs of independent (r&d), including its proportionate share of indirect costs, are unallowable under AID agreements.

BEST AVAILABLE COPY

J. Optional Standard Provisions:

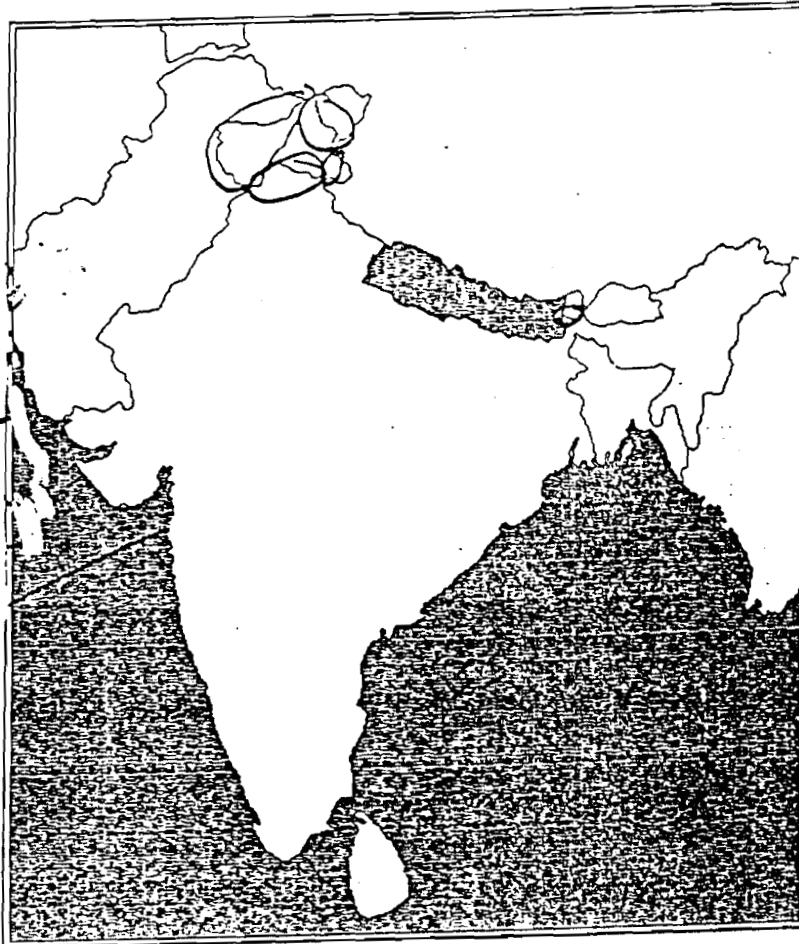
The following Optional Standard Provisions in Attachment 3 are applicable to this Grant:

- Provision 1. Payment - Letter of Credit
- Provision 4. Air Travel and Transportation
- Provision 5. Ocean Shipment of Goods
- Provision 6. Procurement of Goods and Services
- Provision 7. AID Eligibility Rules for Goods and Services
- Provision 9. Local Cost Financing
- Provision 11. Publications
- Provision 13. Negotiated Indirect Cost Rates - Provisional
- Provision 14. Regulations Governing Employees
- Provision 20. Title to and Use of Property (Grantee Title)
- Provision 24. Use of Pouch Facilities
- Provision 25. Conversion of United States Dollars to Local Currency

BEST AVAILABLE COPY

A Project Proposal Submitted to:

USAID/Nepal



Submitted by:

The Asian-American Free Labor Institute

April 1992

BEST AVAILABLE COPY

ABOUT AAFLI AND THIS PROPOSAL

The Asian-American Free Labor Institute (AAFLI) is a private voluntary organization founded by the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO) in 1968 for the purpose of promoting the development of free and democratic trade unionism throughout Asia and the Pacific. Its programs stretch from the Eastern Mediterranean to the South Pacific. AAFLI currently operates through field offices in Thailand, Philippines, Korea, Bangladesh, Indonesia, Sri Lanka and Turkey, and conducts programs in 14 other Asian countries and the South Pacific countries from its Washington headquarters.

AAFLI initiated contact with Nepalese labor organizations in 1973 and carried out several projects with trade unions organizations before they were suspended and replaced by a government-sponsored official worker organization.

Immediately following the democratic revolution of April 1990, AAFLI renewed contacts with emerging worker organizations at international forums (International Labor Organization), through correspondence, and through senior staff visits to the country in 1990, 1991 and 1992.

This proposal represents the findings of nearly two years' interaction between AAFLI and Nepalese unions, and reflects the results of conversations with USAID/Nepal.

BEST AVAILABLE COPY

95

PROJECT PROPOSAL

COUNTRY: NEPAL

PROJECT TITLE: Democratic Structuring of Nepal Trade Union Congress

PROJECT PURPOSE: To enable the Nepal Trade Union Congress to begin to function as a democratic trade union organization.

USAID CONTRIBUTION: \$76,747.

ACTIVITY LOCATION: Kathmandu and approximately 20 other districts in Nepal.

PROJECT DURATION: One year commencing June 1, 1992

PVO NAME: The Asian-American Free Labor Institute

HOME OFFICE: 1125 15th Street NW
Suite 401
Washington, D.C. 20005
USA

Telephone: 202-737-3000
Fax: 202-785-0370
Cable: AAFL DC

I. SUMMARY PROJECT STATEMENT

With their first freely elected government in 32 years, the people of Nepal are struggling to develop their own democratic organizations. As part of this process, workers are now forming representative trade unions. The establishment of national trade union centers is particularly important since these groups have great potential to influence the political course of the nation.

One national center, the Nepal Trade Union Congress (NTUC), has rapidly demonstrated its attractiveness to workers throughout the country. Its founding convention in February 1991 in Birganj, attracted several thousand participants. Today, an estimated 120,000 workers are either direct members or members of NTUC affiliates.

The NTUC top leadership is committed to an independent democratic trade union movement with full trade union rights, but a lack of experience and resources have stifled its development as an advocate for its members except on the most ad hoc basis.

This project includes a sequential set of activities. They will involve more than 10,000 workers, resulting in the establishment of democratic structures and procedures within the NTUC, thus allowing it to effectively represent its members' interests.

As part of these activities, the organization will adopt a new constitution and an estimated 800 local enterprise units will conduct new elections of officers. These elections will be followed by the election of approximately 20 sets of district officers, and within 90 to 120 days thereafter, the NTUC will hold a national convention under its new constitution.

In addition, for the first time meetings will be conducted under locally developed rules of parliamentary procedure and will utilize standardized business meeting agendas. These tools of democracy also will be developed and used by the national constitutional drafting committee.

The project will be implemented within one year of its approval, with AAFLI responsible for the overall supervision and evaluation of project activities. An AAFLI staff person will serve as the Project Director.

II. PROBLEM STATEMENT

A FRAGILE DEMOCRACY

Except for one brief period a generation ago (1959-61), democracy is a wholly new experience for Nepal. The adoption of a new constitution later that year and the holding of free

national parliamentary elections in May 1991 have, for the moment, secured a fair level of political democracy under a constitutional monarchy. However, there are social and economic constraints as well as cultural factors that can deter Nepal's progress in securing a democratic society. Chief among these are a lack of experience and knowledge of western political and economic models, and certain religious norms that reinforce determinism, fatalism, and caste. If democracy is to survive in Nepal, then, several changes to insure and strengthen it must take place.

According to USAID's publication "Democracy and Governance" (November 1991), elements crucial to the institutionalization of democracy include not only "competitive . . . and universal elections" and "the free flow of information on public issues and open debate" but also "freedom to form associations which can inform and influence public debate and articulate the interests of citizens. . . . These groups include a wide variety of organizations from political parties through . . . labor unions. . . ." It is through such newly-formed associations that a vital civic society can be established in Nepal. By nurturing the habit of democracy in such associations, including labor unions, the citizens of Nepal can "mobilize, articulate and channel popular opinion and . . . help establish a counterweight to the power of the state." (Democracy and Governance, p. 14.)

Today, the largest civic associations in Nepal by far are its labor unions. While firm figures are difficult to obtain, the general estimate is that more than 30% of the urban work force belongs to unions. In addition to almost all the primary and secondary school teachers, workers in textile, garment, transport, hotels, banking, small manufacturing and plantation sectors have joined various labor unions. These associations can play a vital role in promoting democracy if they sufficiently internalize democratic structures themselves and develop the expertise and communication skills to articulate the needs of workers and their families.

BRIEF BACKGROUND ON TRADE UNION HISTORY

In April 1990, thirty years of absolute monarchical rule ended in Nepal when the King, responding to increasing public pressure and demonstrations, removed the ban against political parties and abandoned the Panchayat system.

The discredited Panchayat system included six sponsored class organizations. Among the six class organizations which were dissolved was the Nepal Labor Organization (NLO).

Before it was dissolved, the NLO was the only organization legally entitled to act as a trade union in Nepal. Although the NLO was supposed to represent workers' interests, outside

observers often described it as ineffective and government-controlled.

Since the disbanding of the NLO, trade union or workers' organizations have been casually forming and striking on an almost daily basis. The current labor unrest can be partially attributed to an accumulation of past worker frustrations and the inexperience of new labor leaders. Another element is the leaders' lack of experience in how to most effectively use their new freedom. Additionally, few workers or their leaders have experience with tools of democratic decision-making or the experience of participating in a democratic organization.

CURRENT TRADE UNION NATIONAL CENTERS

Subsequent to the democratic revolution, several different workers organizations emerged that had been clandestinely organized some time before. All of those of substance appeared to be aligned with the political parties of declared communist tendency. At the 1990 May Day rally in Kathmandu, a top leader of one of these groups proclaimed, "Communist is Worker. Worker is Communist." No one challenged that statement. In succeeding months, most of these "unions" have rapidly merged into a single national center, the General Federation of Nepalese Trade Unions (GEFONT). They have retained their leftist leanings, complete with the rhetoric of the far left.

Since then the Nepal Trade Union Congress (NTUC) has emerged as an alternative to this more established national center.

THE NEPAL TRADE UNION CONGRESS

The NTUC, while inspired by the Nepali Congress Party, offers itself as an independent and democratic alternative to the more established GEFONT. Beginning only as an idea among a few people, within eight months the NTUC was able to hold a founding two-day convention in February 1991, in Birganj, with the participation of several thousand workers from all over the country. It was an event marked by frank and free debate.

Among the issues discussed were the NTUC's relationship to the Nepali Congress Party, the manner in which officers should be elected, and the content of its constitution. Unfortunately, the NTUC was unable to settle many of the questions before it, including finalizing its constitution. The outcome of the NTUC convention is ample demonstration of the need for outside technical assistance.

The NTUC presently has about 50,000 members in 800 enterprise-level, directly affiliated branches in the textile, garment, transport, hotels, small manufacturing and plantation sectors, and another 70,000 members in two affiliated federations

representing teachers and the staff of financial institutions. All structures are operating as loose organizing committees, at best. In reality, the NTUC consists of a President and some 50,000 members, few of whom are paying dues, and two federations -- teachers and bank workers -- who are also suffering from a lack of knowledge and skills of democratic unionism.

Approximately 40% of the organized industrial and service workers -- 120,000 -- have freely chosen to join the NTUC or its affiliates, despite the fact that it is less than two years old. They have done so because the founders of the NTUC are deeply committed to democracy and free, independent trade unions. Part of this commitment comes from the President and one of the founding members, Laxman Basnet. It was Basnet's exposure to American democracy while he was receiving his higher education at Roosevelt and American Universities that turned him into a dedicated democrat committed to bringing democracy to his own country.

III. WORK TO DATE

AAFLI's relationship and experience with Nepal worker organizations goes back to 1972 when initial contact was established with the ~~pre-Panchayat~~ Nepal Labor Organization. In 1974, the NLO set up a sewing school and conducted education activities with AAFLI's financial and technical assistance. Early in 1976, changes in government policy led to the demise of the NLO and with it, AAFLI's project. Subsequently, the Government established an official worker organization under the Panchayat system, the National Labor Organization.

Because the government-sponsored NLO began to receive some international assistance and had applied for membership in the International Confederation of Free Trade Unions, (ICFTU), AAFLI joined an ICFTU/Asian and Pacific Regional Organization (APRO) investigatory mission in March 1990. Before any action could be taken, the NLO was disbanded immediately following the April-revolution. In June 1990, AAFLI senior staff made an extended visit to assess the situation and again in October participated in another ICFTU/APRO mission. In September 1991, a senior AAFLI staff person accompanied the International Affairs Director of the American Federation of Teachers (AFT), AFL-CIO to assist the AFT in establishing contact with the Nepal Teachers Association (NTA), an NTUC affiliate. It was during this visit that AAFLI responded to an NTUC request and donated to them a duplicating machine. This visit also resulted in the AFT supporting two one-week leadership workshops with the NTA in January 1992 under AAFLI's Union-to-Union program.

In November 1991, the President of the NTUC attended the 19th Biennial Convention of the AFL-CIO in Detroit where he met

many American trade union leaders and observed first-hand how a democratic national center conducts its business.

As a result of discussions with AAFLI and AFL-CIO leaders, the AAFLI Director of Education conducted a month-long needs assessment of the NTUC in January 1992, which included observing education workshops being conducted by the AFT and ICFTU in and out of Kathmandu.

The contents, methodology and design of the project, developed with the NTUC, were the result of this visit.

This project has been discussed in general form with the USAID/Nepal Director and appropriate AID staff prior to this presentation.

IV. GOALS AND OBJECTIVES

A. Project Goal

Assist key Nepal Trade Union Congress leaders in developing structures and procedures within the NTUC which reflect their commitment to free democratic trade unionism through a process which involves high levels of participation at all levels of the national center.

B. Objectives

1. Develop a democratic structure for the Nepal Trade Union Congress (NTUC), that ensures members' sovereignty through responsible and accountable elected representatives.
2. Develop a simple parliamentary procedure that will ensure democratic decision-making at all levels of the NTUC.
3. Develop a standardized meeting format that will insure that the business of the institution can be accomplished.
4. Provide a working "model" of trade union democracy for Nepal workers and their trade unions.
5. Develop a cadre of 50 trained democracy experts that can serve as resource persons for trade unions throughout the country.
6. Through the process of developing a democratic union structure and procedures, provide practical experience on democratic decision-making to more than 5,000 workers and their leaders.

V. METHODOLOGY AND PROJECT DESCRIPTION

The project has six stages, leading to the first national convention of the NTUC, conducted under a democratic structure, and operating under a recognized and known set of business meeting rules.

The basic methodology is "learning by doing":

1. A group of 15 to 20 trade union leaders from around the country will serve as the committee to draft a new constitution, a simplified parliamentary procedure and standardized business meetings agendas for the NTUC with the AAFLI Project Director offering a variety of models from different countries and indicating the underlying democratic principles involved. The committee meetings will be interspersed with time for the committee members to return to their constituents for consultation and reflection. The committee will be assisted by a small working committee, drawn in part from the Kathmandu members of the drafting committee, and will be responsible for putting into appropriate language the decisions of the drafting committee. As the committee completes this phase of their work, a group of 20 to 24 local leaders will be selected and by NTUC and trained by the AAFLI Project Director in the results of drafting committee's work and how to explain it.
2. The first draft will be taken out to members for their comments and suggestions through a series of small meetings throughout the country. Drafting committee members will be assisted by the "explainers" in conducting these informational meetings. These meetings will be open to all workers, members and non-members.
3. Following the completion of the membership meetings, a final meeting of the drafting committee will take place to prepare the final draft for the NTUC national executive committee. The "explainers" and working committee will also attend this meeting.
4. A special convention under the old constitution will be held to adopt the new constitution with standardized by-laws, rules of parliamentary procedure and business meeting format.
5. Immediately following adoption of the new constitution, all subordinate bodies of the NTUC will hold elections under the new procedures and adopt the required by-laws and structures.

6. Upon the completion of the subordinate bodies' re-organization, the first fully democratic convention under the new constitution will be held with the election of national officers and such committees as are required.

VI. PROJECT IMPLEMENTATION PLAN

Total Time Required: Minimum 275 days. Maximum 360 Days.

- Day 1
 - Selection of Drafting Committee -- 20 persons
 - Selection of Working Committee -- 4 plus 2 advisors
- Day 15
 - First meeting of Drafting Committee with Working Committee
- Day 19
 - End of first meeting of Drafting Committee
- Day 24
 - Selection of 28 Explainers
- Day 34
 - Second meeting of Drafting Committee with Working Committee
- Day 38
 - End of second meeting of Drafting Committee
- Day 52
 - First meeting of first group of Explainers -- 14 persons
- Day 53
 - Third meeting of Drafting Committee with Working Committee and Explainers
- Day 58
 - End of Third meeting of Drafting Committee
- Day 59
 - Training of first group of Explainers (14) begins
- Day 64
 - End of training of first group of Explainers
- Day 66
 - Beginning of consultation meetings at unit and district level -- 5 teams with local member of Drafting Committee
 - Training of second group of Explainers (14) begins
- Day 70
 - End of training of second group of Explainers
- Day 72
 - Second group of Explainers joins first group in field -- 9 teams with local member of Drafting Committee

- Day 108 - Completion of 550 meetings, attended by more than 10,000 unit leaders and members; one-day meeting and 1/2 day follow-up 3 to 5 days later.
- Day 110 - Fourth meeting of Drafting Committee begins with Working Committee and Explainers
- Day 115 - Completion of final draft of revised NTUC Constitution
- Day 120 - Call for Constitutional Convention -- 30 day notice
- Day 150 - NTUC Convention to revise Constitution -- approximately 500 delegates and officers
- Day 152 - Adoption of revised Constitution
- Day 153 - Training of 500 leaders in 20 groups simultaneously using 28 Explainers, 20 Drafting Committee members and 4 Working Committee members
- Day 154 - Begin unit elections
- Day 200 - Begin district elections
- Day 240 - Call for first Convention under new NTUC Constitution
- Day 270 - First NTUC Convention under democratic constitution
- Day 273/5 - First Convention ends with election of officers

VII. BENEFICIARIES

Direct project beneficiaries include:

1. More than 70 trade union leaders will become experts on applied democracy, principles, methods and practice.
2. More than 10,000 workers will have the democratic experience of being consulted and offering feedback and suggestions on how their union is to be structured and governed.
3. More than 450 trade union leaders will receive special training on the new constitution and how they must operate under the democratic procedures provided therein.

4. More than 5,000 union officers in over 800 subordinate union bodies will be elected on a democratic basis with clearly spelled out duties, responsibilities and accountability.
5. More than 800 NTUC branches will begin to regularly conduct union meetings under rules of parliamentary procedure and with a fixed format assuring that officers account for their activities to their memberships.

Indirect project beneficiaries include:

1. Nepalese society, which will have a significant, model association that not only is committed to democracy but practices it on a daily basis.
2. The Nepal working class, which will have a choice of national centers to represent their interests, thus providing competition that will encourage greater responsiveness and accountability -- hallmarks of truly democratic institutions.
3. Nepal as a whole, as the process of project implementation and its results will contribute to the development of a "democratic culture" necessary to insure the institutionalization of Nepal's young democracy.

VIII. MONITORING AND EVALUATION

Project Structure

Over-all responsibility for project implementation starting before "Day 1" will be in the hands of the AAFLI Project Director. It is the Project Director who will have to make the sensitive assessments and adjustments to insure the success of the project. The Project Director's job responsibilities will include:

1. Liaison with the NTUC, Nepal government authorities, USAID/NEPAL and AAFLI/Washington.
2. Collection and assembly of various examples of instruments to be developed by the NTUC; i.e., national center, national union and local union constitutions and by-laws, various rules of parliamentary procedure, and several models of business meeting agenda formats.
3. Serving as the key resource to the drafting committee.

4. Serving as the trainer of explainers.
5. Primary responsibility for the on-going project evaluation and reporting.

The very nature of the project and the participants' lack of experience with any democratic institutions means that the project will be subject to all the vagaries of a vast and comprehensive learning experience. For all but a few top NTUC leaders, the leadership and the members of the NTUC have only vague ideas about how a democratic organization works and particularly how decisions are made, rights protected, responsibilities determined and accountability demonstrated. Furthermore, there is no private model in-country which can be adapted, since only the current national constitution, which is less than two years old, provides any "familiar" guide.

In addition, the level of planning and preparation required by the project, as well as its fairly tight time frame for implementation, are very new to the NTUC, its leaders and members.

Because of these factors, this project will require a high level of constant monitoring, evaluation and adjustment.

End of Project Evaluation

A final evaluation of the project will be carried out by a designated expert on field activities and evaluation from either one of AAFLI's field offices or its Washington headquarters. Using baseline data provided by the Project Director, as well as documentation produced during the project, the evaluator will make a determination of progress toward stated objectives and produce a final report for USAID/Nepal.

Project Indicators

Utilizing AAFLI's planning system which includes Operationally Verifiable Indicators (OVIs)¹, the following are identified as OVIs for this project:

1. Within nine months, NTUC affiliates and local units will hold elections of officers under uniform democratic procedures under a new constitution.
2. Within one year the national officers of the NTUC will be elected by duly elected delegates in convention.

¹"Operationally Verifiable Indicator" is defined as the specific outcome AAFLI hopes its activities, programs, etc. will accomplish during a project within a specific time period.

In addition, because of the nature of the project and its clear sequential time schedule, the project is rather easily monitored by simply determining how it is proceeding under the agreed-upon implementation schedule. It should be noted that such factors as weather (c.f., the monsoon season) may cause some delays. Other delays may also be caused by other outside unforeseen events.

IX. ASSUMPTIONS

The following assumptions and necessary conditions are required for successful implementation of the project.

A. Causal

1. Given an opportunity to establish a democratic union structure and democratic operating procedures, workers and their leadership will take advantage of these tools.
2. Given opportunities to participate in democratic decision-making, union leaders' and members' commitment to democracy will strengthen generally.
3. Once established along strong institutional lines, the NTUC will be more effective in leading and representing its membership and their interests in an orderly, responsible manner.
4. A strong NTUC will strengthen democracy in Nepal through its monitoring of the government policies, activities and enforcement of the law.
5. A strong NTUC will lead to the development of more rational systems of industrial relations, hence greater industrial peace and a more equitable distribution of the country's wealth.

B. Operational

1. Agreement by USAID/Nepal to provide support for the project.
2. The full support and active participation of the NTUC at all levels and the use of its facilities and equipment.
3. Cooperation of selected employers in providing leave to key participants in the project.
4. A relatively stable political climate.

X. POST-PROJECT EXPECTATIONS

The following changes are expected to take place by the end of the project to improve the operation of the NTUC:

- o The current members will begin to regularly pay dues and the NTUC will begin to become financially viable for its basic day-to-day operations at the local/enterprise level.
- o The NTUC will be recognized and consulted by the Nepal Government legislative and administrative branches on issues directly affecting workers and their families.
- o The NTUC will be in a position to develop an effective continuing education program.
- o Unions affiliated to the NTUC will modify their constitutions and by-laws to conform with the democratic norms established by the NTUC.

XI. FINANCIAL NARRATIVE

A. Resources Required

Project resources will support the activities that fall under the objectives stated above.

B. Sub-grants

There are no plans for sub-grants or contracts with other organizations at this time.

C. Procurement

AAFLI will follow USAID procurement guidelines and consult with the appropriate USAID/Nepal officer should any clarification be required.

XII. USAID BUDGET SUMMARY

Local Budget

Drafting Committee Meetings 20 persons, 4 meetings, one week each	\$ 4,980
Explainers 28 persons, 9 weeks,	10,206
Working Committee 4 persons plus two advisors, 40 days	400
Secretarial Services 1 person , 9 months	516
Printing & Supplies 200,000 pages	9,500
Constitutional Convention	5,375
Translation/Interpretation services	3,000
Evaluation	4,000
US Project Director 80 days per diem, three round trip air fares	<u>21,402</u>
TOTAL DIRECT COSTS	59,379
Indirect Cost (29.25% NICRA set by AID/W)	<u>17,368</u>
PROJECT TOTAL	<u>\$76,747</u>

BEST AVAILABLE COPY

APPENDIX A
BUDGET DETAIL

Local Budget

Drafting Committee - 20 persons, 4 5-day meetings		
Local Travel	\$12.00 x 20 x 4	\$ 960.00
Housing	\$1.00 x 20 x 6 x 4	480.00
Food	\$4.75 x 20 x 7 x 4	2,660.00
Honoraria	\$11.00 x 20 x 4	880.00
Explainers - 28 persons for 9 weeks		
Lost Time Salaries	\$11.00 x 28 x 9	2,772.00
<u>During Training</u>		
Local Travel	\$10.00 x 28	280.00
Housing	\$1.00 x 28 x 10	280.00
Food	\$4.75 x 28 x 10	1,330.00
<u>During Field Work</u>		
Daily Allowance	\$3.60 x 28 x 55	5,544.00
Working Committee - 4 persons for 40 days		
Honoraria	\$2.50 x 4 x 40	400.00
Secretarial Services - 1 person - 12 months		
Salary and Benefits	\$43.00 x 12	516.00
Printing & Supplies		
200,000 pages x \$.0475		9,500.00
Delegate Training Program - 500 persons for 1 day		
Housing	\$1.00 x 500	500.00
Food	\$4.75 x 500	2,375.00
Local Travel	\$5.00 x 500	2,500.00
Translation/Interpretation services.		
\$30.00 x 100 days		3,000.00
Evaluation		
Round trip airfare ²		2,827.00
Per diem 7 days x \$99.00		693.00
Local travel (outside Kathmandu)		300.00
Translation/Interpretation services		
\$30 x 6 days		180.00

²Assumes use of either AAFLI staff from a field office or headquarters personnel carrying out more than one mission which will result in shared travel costs.

US Project Director 80 days	
Round Trip Airfares (3) \$3,722 x 3	11,166.00
Per diem 80 x \$99.00	7,920.00
Local Travel & Fees (10% of Airfare)	1,116.00
Two Night Layover \$200 x 2 x 3	1,200.00

TOTAL DIRECT COST	59,379.00
Indirect Costs (29.25%)	17,368.00
GRAND TOTAL	\$76,747.00

BEST AVAILABLE COPY

Revised by AAFLI submission dated July 27, 1992

BUDGET DETAIL

Local Budget

Drafting Committee - 20 persons, 4 5-day meetings		
Local Travel	\$12.00 x 20 x 4	\$ 960.00
Housing	\$1.00 x 20 x 6 x 4	480.00
Food	\$3.50 x 20 x 7 x 4	1,960.00
Honoraria	\$11.00 x 20 x 4	880.00
Explainers - 28 persons for 9 weeks		
Lost Time Salaries	\$11.00 x 28 x 9	2,772.00
<u>During Training</u>		
Local Travel	\$10.00 x 28	280.00
Housing	\$1.00 x 28 x 10	280.00
Food	\$3.50 x 28 x 09	882.00
<u>During Field Work</u>		
Daily Allowance	\$3.60 x 28 x 55	5,544.00
Working Committee - 4 persons for 40 days		
Honoraria	\$2.50 x 4 x 40	400.00
Secretarial Services - 1 person - 12 months		
Salary and Benefits	\$43.00 x 12	516.00
Printing & Supplies		
200,000 pages x \$.0345		6,900.00
Printing, Layout, Supplies		2,600.00
Delegate Training Program - 500 persons for 1 day		
Housing	\$1.00 x 500	500.00
Food	\$3.50 x 500	1,750.00
Local Travel	\$5.00 x 500	2,500.00
Translation/Interpretation services		
\$30.00 x 100 days		3,000.00
Evaluation		
1 Round trip airfare ¹		2,827.00
Per diem 7 days x \$96.00		672.00
Local travel (outside Kathmandu)		300.00
Translation/Interpretation services		
\$30 x 6 days		180.00

BEST AVAILABLE COPY

¹Assumes use of either AAFLI staff from a field office or headquarters personnel carrying out more than one mission which will result in shared travel costs.

26

US Project Director 80 days	
Round Trip Airfares (3) \$3,722 x 3	11,166.00
Per diem 80 x \$96.00	7,680.00
Local Travel & Fees (10% of Airfare)	1,116.00
Two Night Layover \$200 x 2 x 3	1,200.00

TOTAL DIRECT COST	57,345.00
-------------------	-----------

Indirect Costs (29.25%)	16,773.00
-------------------------	-----------

TOTAL AID contribution	\$74,118.00
------------------------	-------------

AAFLI contribution

Project Director Salary + benefits	
80 days in Nepal \$29,022	
20 days out of Nepal \$7255	36,277.00

GRAND TOTAL	\$110,395.00
-------------	--------------

BEST AVAILABLE COPY